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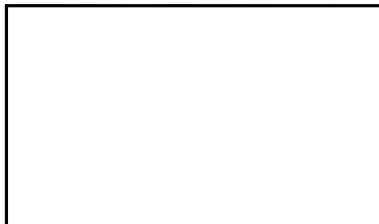
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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday May 11, 1977

CG NIDC 77-109C



**NATIONAL SECURITY INFORMATION**

Unauthorized Disclosure Subject to Criminal Sanctions

DIA review(s) completed.

State Dept. review completed

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National Intelligence Daily Cable for Wednesday, May 11, 1977.

The NID Cable is for the purpose of informing senior US officials.

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SOMALIA: Siad Moves Cautiously

25X1 [ ] Somali President Siad's failure to receive US Ambassador Loughran before the latter left Mogadiscio on May 5 to attend a conference probably reflects a desire to move cautiously in improving relations with the US.

25X1 [ ] The ambassador had sought an appointment with Siad to discuss the possibility of better US-Somali relations. Somali Ambassador Addou in Washington had recently made overtures to US officials for economic and military assistance and urged that Ambassador Loughran discuss the matter with Siad. Addou stressed that he was acting under Siad's personal instructions.

25X1 [ ] There are other signs that Siad does not intend to be stampeded into a major reorientation of Somalia's foreign policy. There has been a noticeable slowdown in diplomatic activity surrounding Arab efforts to woo Somalia away from the Soviets. Siad lately has been publicly stressing Somalia's attachment to Marxism-Leninism and to the USSR. He has thus far fended off all pressures to reduce Soviet influence in Somalia.

25X1 [ ] We still believe Siad is interested in improving relations with the US and the Arab states--an assessment shared by most Arab observers. He probably wants to see how far the Soviets will go in assisting the military regime in Ethiopia before making specific commitments to the US and the Arabs. He may also be trying to bid up the price the Arabs and others are willing to pay for changes in Somali foreign policy.

25X1 [ ] Aside from engaging in bargaining ploys, Siad realizes his freedom of choice is limited by Somalia's dependence on Soviet military equipment. The scheduled independence next month of the neighboring French Territory of the Afars and Issas, in which Somalia and Ethiopia have rival claims, has probably reinforced his concern not to jeopardize Somalia's access to Soviet military supplies. [ ]

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**GUYANA: Seeking Financial Aid**

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*[Redacted] //Guyanese Prime Minister Forbes Burnham is shifting away from his previously antagonistic policy toward the US in the hope of getting sufficient financial aid to carry his country over its current foreign payments crisis. Should US assistance not be forthcoming, however, he will probably revert to his old hostility.//*

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25X1 [ ] //Burnham made his first public overture to the US in a speech last February, in which he emphasized that good relations with all nations, "particularly with North America," were necessary. Since then:

--Government-controlled media have portrayed the US in a more favorable light.

--Foreign Minister Wills has made a special point of emphasizing Guyana's "good" record on human rights.

--The government has taken several pro-US initiatives in international forums.//

25X1 [ ] //To a large extent, economic necessity is driving Burnham's current foreign policies. Guyana's foreign exchange reserves are nearly exhausted. Although the world aluminum industry is continuing to recover, Guyana's bauxite export earnings have not risen enough to offset its slipping earnings from sugar and rice and its rising debt-service obligations.//

25X1 [ ] //Doubt that sizable foreign loans will be available already has prompted the government to impose austerity measures, including tighter import controls and a reduction in food subsidies. Moreover, the 1977 budget requires a 60-percent reduction in public investment which will increase the country's already high unemployment level. These steps may well stimulate labor unrest, particularly among sugar workers, which would further weaken the economy.//

25X1 [ ] A large factor in Burnham's more moderate stance toward the US is his inability to secure the funds he needs from such sources as the USSR and Eastern Europe. The Soviets have made economic assistance contingent on concessions by Burnham to the more orthodox Marxist opposition led by Cheddi Jagan. Moreover, it is unlikely that Moscow would provide more than limited aid in any case.

25X1 [ ] It is unlikely that the USSR will agree to a reported Guyanese demand for a lump-sum hard currency payment in return for permission to allow the Soviet fleet to operate in Guyanese waters under a fishing agreement now being negotiated. A Soviet cash payment for port and fishing rights would be unprecedented.

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[REDACTED] //As part of his efforts to woo the US, Burnham is now trying to distance himself from the Cubans on some multilateral issues of importance to the US. The Prime Minister will seek to continue receiving Cuban technical development assistance, however, and will probably still consult with Havana on strengthening Guyana's internal security system, even if US aid is forthcoming.// [REDACTED]

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